

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3(1)“b,” 16.5(1)“r” and 16.5(1)“m,” the Iowa Finance Authority proposes to amend Chapter 39, “HOME Investment Partnerships Program,” Iowa Administrative Code.

The purpose of these amendments is to clarify the rules and update definitions.

The Authority does not intend to grant waivers under the provisions of these rules, other than as may be allowed under the Authority’s general rules concerning waivers.

The Authority will receive written comments on the proposed amendments until 4:30 p.m. on September 24, 2013. Comments may be addressed to Carolann Jensen, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. Comments may also be faxed to Carolann Jensen at (515)725-4901 or e-mailed to carolann.jensen@iowa.gov.

The Authority anticipates that it may make changes to the proposed amendments based on comments received from the public.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 16.5(1)“m” and 42 U.S.C. Sections 12701 et seq.

The following amendments are proposed.

ITEM 1. Amend rule 265—39.1(16) as follows:

265—39.1(16) Purpose. The primary purpose of the HOME investment partnerships program is to expand or retain the supply of decent and affordable housing for low- and moderate-income Iowans ~~fund a wide range of activities that build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or to provide direct rental assistance to low-income people.~~

ITEM 2. Adopt the following new definitions of “Fully accessible unit” and “Qualified veteran” in rule **265—39.2(16)**:

“*Fully accessible unit*” means a unit designed and constructed for full accessibility in accordance with Section 1002 of the International Code Council (ICC) A117.1.

“*Qualified veteran*” means a person who served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable.

ITEM 3. Rescind the definition of “Accessible” in rule **265—39.2(16)**.

ITEM 4. Amend the following definitions in rule **265—39.2(16)**:

“*Contract*” means a binding written agreement between IFA and the recipient or subrecipient for the purpose of utilizing HOME funds to ~~produce affordable housing or provide tenant-based rental assistance~~ build, buy or rehabilitate (or both buy and rehabilitate) affordable housing for rent or homeownership or to provide direct rental assistance to low-income people.

“*Local support*” means involvement, endorsement and investment by local citizens, local organizations ~~and~~ or the governing body of the local government in which the housing project is located. ~~that~~ The local support shall promote the objectives of the housing activity or projects assisted through the HOME partnership program.

ITEM 5. Amend subrule 39.4(1) as follows:

39.4(1) Eligible activities include transitional housing, tenant-based rental assistance, rental housing rehabilitation (including conversion and preservation), rental housing new construction, homebuyer assistance that includes some form of direct subsidy to the homebuyer (~~including development subsidies~~), and other housing-related activities as may be deemed appropriate by IFA. Assisted housing may be single-family housing or multifamily housing and may be designed for occupancy by homebuyers or tenants.

a. Assisted units shall meet the period of affordability as set forth in the federal program requirements.

b. For homebuyer assistance, the initial purchase price for newly constructed units or the after-rehabilitation value for rehabilitated units shall not exceed the single-family housing mortgage limits as set forth by HUD's most current maximum purchase price or after-rehabilitation value limits.

c. For a rental project, rents shall be limited to the rents allowed by HUD for HOME.

~~*d.*~~ Assisted households shall meet income limits established by federal program requirements.

(1) For a rental ~~activities~~ project, all assisted units shall be rented to low-income households; at initial occupancy, ~~400~~ at least 90 percent of the units shall be rented to households with incomes at or below 60 percent of the area's median family income and, for projects with five or more units, at least 20 percent of the units shall be rented ~~initially~~ to very low-income households.

(2) For tenant-based rental assistance, only households with incomes at or below 80 percent of the area median family income shall be assisted; at least 90 percent of the households served shall have incomes at or below 60 percent of the area's median family income.

(3) For homebuyer assistance, only households with incomes at or below 80 percent of the area median family income shall be assisted.

~~*e.*~~ *e.* Property standards. All newly constructed housing (single-family and multifamily housing) shall be constructed in accordance with any locally adopted and enforced building codes, standards and ordinances. In the absence of locally adopted and enforced building codes, the requirements of the state building code shall apply.

(1) All rental housing involving rehabilitation shall be rehabilitated in accordance with any locally adopted and enforced building or housing codes, standards and ordinances. In the absence of locally adopted and enforced building or housing codes, the requirements of the state building code shall apply.

(2) All single-family housing involving rehabilitation shall be rehabilitated in accordance with any locally adopted building or housing codes, standards and ordinances. In the absence of locally adopted and enforced building or housing codes, the requirements of the most current version of Iowa's Minimum Housing Rehabilitation Standards shall apply (all communities with populations of 15,000 or less).

~~*f.*~~ *f.* Energy Star. All new rental construction must obtain Energy Star certification verified by an Energy Star rater.

ITEM 6. Amend subrule 39.6(9) as follows:

39.6(9) An application for a homebuyer assistance activity must stipulate that homebuyer assistance is for first-time homebuyers or qualified veterans only and that the assisted unit will remain as the assisted homebuyer's principal residence throughout the required period of affordability, which must be verified annually by the subrecipient. If the assisted homebuyer fails to maintain the home as the principal residence during the period of affordability, then all HOME funds associated with that address must be repaid to IFA.

ITEM 7. Amend subrule 39.7(3) as follows:

39.7(3) Special consideration will be given to applications where 100 percent of the HOME-funded rental units are fully accessible (~~not adaptable~~) units.

ITEM 8. Amend subrules 39.8(6) and 39.8(7) as follows:

39.8(6) ~~An A single~~ award shall be limited to no more than: \$600,000 for single-family housing activities assisting homebuyers. An award shall be limited to no more than \$1,000,000 for multifamily housing rental activities.

a. \$600,000 for single-family housing activity, or

- b. \$1,000,000 for rental project, or
- c. \$1,000,000 for tenant-based rental assistance activity.

39.8(7) Single-family per-unit subsidies.

a. The maximum per-unit subsidy for all single-family housing activities involving rehabilitation is \$37,500. The \$37,500 per-unit limit includes all applicable costs including, but not limited to, the hard costs of rehabilitation or the acquisition subsidy or both; homebuyer assistance activities; technical services costs, including lead hazard reduction carrying costs; lead hazard reduction costs; and temporary relocation. All rehabilitation hard costs funded with HOME funds are limited to \$24,999. All applicable technical services costs, including any lead hazard reduction carrying costs, are limited to \$4,500 per unit.

b. Assistance for single-family housing activities providing acquisition assistance for ~~newly constructed~~ housing (mortgage buy-down, down payment or closing costs assistance or both, or combinations thereof) is limited to \$35,000 per unit, inclusive of all costs, including technical services costs.

ITEM 9. Amend subrule 39.9(8) as follows:

39.9(8) *Compliance with federal, state and local laws and regulations.* Recipients shall comply with these rules, with any provisions of the Iowa Code governing activities performed under this program and with applicable federal, state and local regulations. IFA may require a construction sign meeting specifications outlined by IFA to be erected on the property at the initiation of construction or rehabilitation of rental projects.